

SEP 08 1986

BEFORE FREDERICK P. KESSLERARBITRATORWISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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IN THE MATTER OF  
MEDIATION/ARBITRATION BETWEEN THE

POTOSI EDUCATION ASSOCIATION

and

SCHOOL DISTRICT OF POTOSI

WERC Case 14  
No. 35760 MED/ARB-3531  
Decision No. 23225-A

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DECISION

## I. HEARING

On April 9, 1986, a hearing was held in the above-entitled matter at the high school, in the Village of Potosi, Wisconsin, after an unsuccessful attempt to mediate the dispute. Pursuant to a stipulation, oral testimony was not taken; instead, both parties submitted exhibits which form the evidentiary basis for this decision. A briefing schedule was set, and briefs from both parties have been submitted.

## II. APPEARANCES

Paul R. Bierbrauer, Executive Director of the South West Teachers United, appeared on behalf of the Potosi Education Association (hereafter "Association"). He was joined by Pat Jonas, President of the Association, by Cheri Peschel, Lynda Curry, and Dick Schiker, members of the Bargaining Committee, and by Casey Stahlman, the Chief Negotiator.

Present on behalf of the School District of Potosi (hereafter "District") was Attorney Shannon Bradbury, Staff Counsel for the Wisconsin Association of School Boards. She was joined by Dennis Pratt, Superintendent of Schools for the Potosi School District, and Ron Dressler, Alan Emler, and Richard Keene, members of the Potosi School Board.

## III. NATURE OF THE PROCEEDINGS

This is a final and binding arbitration proceeding brought between the above parties under Section 111.70(4)(cm), Wis.Stats., the Municipal Employment Relations Act.

On October 7, 1985, the Potosi School District and the Potosi Education Association filed a stipulation with the Wisconsin Employment Relations Commission indicating that an impasse existed in their collective bargaining; they requested that Mediation/Arbitration proceedings be initiated. On January 16, 1986, James W. Engmann, a member of the Commission's staff, conducted an investigation and concluded that the District and the Association were unable to resolve their dispute. On February 10, 1986, this Arbitrator was advised that he had been selected by the parties from a panel of five names submitted by the Wisconsin Employment Relations Commission.

A hearing was scheduled on the Mediation/Arbitration for April 9, 1986. On that date, efforts were made to mediate the dispute. When that proved unsuccessful, a hearing was convened. The parties submitted their evidence pursuant to stipulation. By agreement by the parties, briefs were to be sent to the Arbitrator on May 23, 1986. The

Arbitrator was then to forward the briefs to the opposing parties. On May 20, 1986, the Arbitrator was advised that the parties had agreed to postpone the submission of their briefs to May 28, 1986. The parties were advised by the Arbitrator that he would be out of the country from June 14 to the 29th of August, 1986, and that delaying the briefing schedule might well delay the decision. On May 20, 1986, on behalf of the District, Ms. Bradbury forwarded an additional document to the Arbitrator entitled, "Financial Status of Wisconsin Farming in 1986." It was marked as District Exhibit No. 64. On May 22, 1986, Mr. Bierbrauer, on behalf of the Association, advised the Arbitrator that it objected to the receipt of this document.

IV. THE FINAL OFFERS

A. The District Final Offer

The District's final offer reads as follows:

POTOSI PUBLIC SCHOOLS  
PROPOSED BOARD OF EDUCATION  
SALARY SCHEDULE

<u>Step</u>	<u>BA</u>	<u>BA +12</u>	<u>BA +24</u>	<u>MA</u>	<u>MA +12</u>
1	\$14,300	\$14,775	\$15,250	\$15,725	\$16,200
2	14,750	15,225	15,700	16,175	16,650
3	15,200	15,675	16,150	16,625	17,100
4	15,650	16,125	16,660	17,075	17,550
5	16,100	16,575	17,050	17,525	18,000
6	16,550	17,025	17,500	17,975	18,450
7	17,000	17,475	17,950	18,425	18,900
8	17,450	17,925	18,400	18,875	19,350
9	17,900	18,375	18,850	19,325	19,800
10	18,350	18,825	19,300	19,775	20,250
11	18,800	19,275	19,750	20,225	20,700
12	-	19,725	20,200	20,675	21,150
13	-	-	20,650	21,125	21,600
14	-	-	21,100	21,575	20,550

\*A longevity increase of \$350.00 will be added to the salary of every teacher who was on the top step of the salary schedule for the previous year.

POTOSI PUBLIC SCHOOLS  
PROPOSED EXTRA-DUTY PAY SCHEDULE 1985-86

<u>Class 1</u>	<u>Class 5</u>
\$1,225.00	\$570.00
Head Football	VICA (2) Divided
Head Girls Basketball	Annual Advisor
Head Boys Basketball	FFA Advisor

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**POTOSI PUBLIC SCHOOLS**  
**PROPOSED EXTRA-DUTY PAY SCHEDULE 1985-86**  
(Continued)

<u>Class 3</u> \$885.00 Jr. High Girls & Boys Basketball (Divided)	<u>Class 7</u> \$320.00 Spanish Club Cheerleading Play Director (2) Art Director Fr./Soph. Advisors (4) (Divided)
<u>Class 4</u> \$860.00 Assistant Football (2) Assistant Boys Basketball Assistant Girls Basketball Assistant Girls Volleyball Instrumental Music	

Note: Coaches and advisors have the option of taking their extra-duty pay in one lump sum at the completion of their assignment. Employees should notify the District of their intentions by August 15, 1986.

**B. The Potosi Education Association Final Offer**

The offer of the Potosi Education Association reads as follows:

POTOSI SALARY SCHEDULE

<u>Step</u>	<u>BA</u>	<u>BA +12</u>	<u>BA +24</u>	<u>MS</u>	<u>MS +12</u>	<u>MS +24</u>
1	\$14,400	\$14,900	\$15,400	\$14,900	\$16,400	\$16,900
2	14,860	15,360	15,860	16,360	16,860	17,360
3	15,320	15,820	16,320	16,820	17,620	17,820
4	15,780	16,280	16,780	17,280	17,780	18,280
5	16,290	16,790	17,290	17,790	18,290	18,790
6	16,800	17,300	17,800	18,300	18,800	19,300
7	17,310	17,810	18,310	18,810	19,310	19,810
8	17,820	18,320	18,821	19,321	19,820	20,320
9	18,330	18,830	19,330	19,830	20,330	20,830
10	18,890	19,390	19,890	20,390	20,890	21,390
11	19,450	19,950	20,450	20,950	21,450	21,950
12	19,450	20,510	21,010	21,510	22,010	22,510
13	19,450	20,510	21,570	22,070	22,570	23,070
14	19,450	20,510	22,130	22,630	23,130	23,630

\*A longevity increase, equal to the last vertical increment of \$560 will be added to the salary of every teach who was on Step 14 of the salary schedule for the previous year.

POTOSI EXTRA-DUTY PAY SCHEDULE 1985-86

<u>Class 1</u>	<u>Class 5</u>
10%	5%
Head Girls Basketball Head Boys Basketball	Vocal Music Annual
<u>Class 2</u>	<u>Class 6</u>
9%	4.5%
Head Football Head Volleyball Head Girls Track Head Boys Track	Forensics (3) Play Directors (3) FHA FFA
<u>Class 3</u>	<u>Class 7</u>
8%	4%
Jr. High Girls & Boys Basketball (Divided)	FBLA VICA (2 Divided) Cheerleading Jr./Sr. Advisors (4 Divided)
<u>Class 4</u>	<u>Class 8</u>
7%	2%
Assistant Football (2) Assistant Volleyball Assistant Girls Basketball Assistant Boys Basketball Assistant Baseball Instrumental Music	School Paper Speech Club NHS Art Director (2 Div.) Spanish Club Fr./Soph. Advisors (4 Divided)

Note: The % is of the BA base salary.

V. STATUTORY CRITERIA

Section 111.70(4)(cm), Wis.Stats., provides an arbitrator must consider the following in a mediation/arbitration proceeding:

Section 111.70(4)(cm) Factors Considered

In making any decisions under the Mediation/Arbitration procedures authorized by this subsection, the Mediator/Arbitrator shall give weight to the following factors:

- (a) The lawful authority of the municipal employer;
- (b) Stipulations of the parties;
- (c) Interest and welfare of the public and the financial ability of the unit of government to meet the costs of the proposed settlement;
- (d) Comparison of wages, hours and conditions of employment of municipal employees involved in arbitration proceedings with wages, hours and conditions of employment of other employees performing similar services and with other employees generally in the public employment in the same community and comparable communities;

(e) The average consumer price for goods and services commonly known as the cost of living;

(f) The overall compensation presently received by municipal employees including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment and all other benefits received;

(g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings;

(h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties in the public service or private.

## VI. ISSUES

The two areas of dispute in these proceedings are the basic salary schedule and the extra duty pay schedule. The District and the Association have significant differences in each category in their respective final offers.

## VII. THE POSITION OF THE DISTRICT

The District relies upon the economic conditions of the District, the region, and nation in support of the appropriateness of the least expensive final offer.

Potosi is located in Grant County in southwestern Wisconsin, which is part of what the District describes as the nation's "corn belt" and which includes much of Iowa. It is a rural area undoubtedly affected by factors important to an agricultural economy. In 1978, 88% of the property in Grant County was farm land, making it one of Wisconsin's major agricultural counties. The downturn in the agricultural economy was so significant that in 1985 Grant County had property tax delinquencies which rose 44.2% over the previous year. Only one Wisconsin county had a higher rate of increase in these tax delinquencies. The two villages in the Potosi School District had 44.2% and 46.1% of their property taxes postponed in 1985. The townships within the School District had over 50% of their taxes postponed by April 1986. Although Wisconsin had an unemployment rate of 7.2% in 1984, the unemployment rate for Grant County that year was 10.5%. In 1985, Grant County's unemployment rate had improved somewhat but was still high at 8.1%. The District has the third lowest equalized valuation of real property for the districts in the athletic conference, yet it has the second highest cost per student in the conference.

The District argues that agricultural economics in Potosi today do not justify the increase in the tax burden required by the Union's offer. In 1986, the Consumer Price Index increased by 3% between February 1985 and February 1986. In non-urban communities this increase was a barely perceptible 1.1%. Potosi clearly is not an urban community. The District therefore argues that its final offer is more reasonable as it is closer to the 3% increase than is the offer of the Association.

Farm prices have dropped, export markets have disappeared, and government financial support programs have been abolished in the last years. Indicators tracked by the University of Wisconsin-Madison College of Agriculture show that between 2,000 and 7,000 Wisconsin farmers will be forced out of agriculture before the end of 1986.

The District proposes as the appropriate comparable group of schools, the Black Hawk Athletic Conference which consists of: Belmont, Benton, Bloomington, Cassville, Highland, Shullsburg, and West Grant. The District also urges inclusion of Southwestern Wisconsin (Hazel Green) because it was previously a member of the Black Hawk Conference and was included as a comparable in the 1983 arbitration decision by Byron Yaffee involving the Cassville School District.

The District objects to the inclusion of any schools outside of this conference within the potential group of comparables. They particularly object to the inclusion of any schools within Crawford County because they are geographically far removed from Potosi. The District doubts that Crawford County Schools share any common economic base with Potosi, thus making them useless as a basis for economic analysis. The District also objects to the inclusion of Darlington, Platteville, Fennimore, and Boscobel. Those four districts are based in cities and all have an equalized property value substantially greater than that of Potosi and the other schools in the Black Hawk Athletic Conference.

The District also objects to the inclusion of the salaries paid to teachers employed by CESA #3 in any comparable groups. A Cooperative Education Service Agency is not a taxing district; its teachers have substantially different types of work schedules that require chaotic hours and traveling great distances. The District challenges a number of the districts that were included in the Union's proposed comparables. Barneveld and Black Hawk Schools, the District argues, are not within the same geographic area as Potosi, and are influenced in their wage schedules by their proximity to Madison suburban school districts.

The District proposes benchmark levels for salary comparison with the other districts and argues on that basis that the Potosi offer is the most appropriate. The benchmarks the District urges are: BA Base, BA Maximum, MA Base, MA Maximum, and the Salary Schedule Maximum Salary.

The District contends that its offer would result in an average 7.1% increase with a total wage increase of \$1,284 per teacher, and a package increase of \$1,707 per teacher. The Association offer would cost \$2,191 per teacher, or be an average increase of 12.18%. Potosi is not a district in which a "catch-up" wage increase is necessary according to the District as it is already competitive with its neighboring districts. The District objects to the structural changes that the Association proposes in the salary schedule both as to the basic salary and as to the extra-duty pay schedule.

#### VIII. THE ASSOCIATION POSITION

The Association urges the Arbitrator to consider a group of districts for comparison purposes that have reached settlements between the unions and the districts in which are located within the Cooperative Education Service Agency #3 boundaries. CESA #3 is located in Southwestern Wisconsin and Potosi is a member. This group includes all the proposed districts of the Board. It includes, however, many additional districts.

Specifically, the Association proposes that in addition to the settlements in Black Hawk Conference, the Arbitrator also consider the settlements in the Ridges and Valley's Athletic Conference, the Southwest Athletic League, the Southern Eight Conference, and the State Line Conference. It is argued that there are insufficient settlements within the Black Hawk Athletic Conference to show a pattern which they believe is necessary for this Arbitrator to intelligently rule.

The Association proposes to add the the teaching employees currently working for CESA #3 to the comparable districts because those teachers are utilized by schools which are members of CESA #3.

The Association proposes inclusion of the Platteville District because it had been used previously by other arbitrators as a comparable system to Potosi.

The Association objects to considering the state of the agricultural and points to the decision of other arbitrators who have disregarded that factor.

The Association contends its proposal is similar to other voluntary settlements throughout the area. Unemployment and the troubled farm economy are problems common to all communities and school districts in rural Wisconsin and are not unique to Potosi. Consequently, they urge review of voluntary settlements as a more reliable economic indicator than statistics generally pertaining to the state or the county as a whole.

The Association as salary benchmarks: BA Minimum, BA 7, BA Maximum, MA Minimum, MA 10, MA Maximum, and Schedule Maximum. The Association contends that its final offer more closely follows the settlement patterns, and the benchmark salary schedules for other comparable districts.

The District's offer to career teachers they view as inadequate and not one which would encourage them to remain in the profession. The Association sees the longevity provision in the District's contract which does not change the current practice as inadequate because in the three contracts where longevity is a part of the contract, longevity payments have been increased.

The Association agrees there is a serious farm economic problem, but argues that Southwestern Wisconsin farmers are in better economic condition than farmers in many other parts of the state. Southwestern Wisconsin farmers are not as deeply in debt, nor as frequently delinquent in their loans to financial institutions as are farmers in other areas. The portion of the property tax used for education amounts to a very small part of the cost of operating a farm in 1986. The Potosi District receives substantial state aid which is available for teacher compensation. In 1984, 53% of the total school budget came from state aid. The median family income in the Potosi District was \$18,635 in 1980. This figure is well above the income in some other communities in the Black Hawk Athletic Conference.

The Association sees its extra-duty pay schedule proposal as fairer. The Association argues that this schedule should be examined both as to the method and as to the actual pay rates when analyzing it for comparability. Four of the seven school districts in the Athletic Conference use schedules that are based upon indexed rates, two use flat dollar rates, and the remaining district uses a point system. The Association argues that its proposal to use an indexed rate schedule is supported by four of the comparable districts. In four of the extra duty job classifications, the District's offer is more comparable to the other conference districts, while the Association's is more comparable in the other four extra-duty job classifications. Therefore, the Association argues the schedule structure should be the determining factor in the selection between the two proposals. The Association's proposed structure is more comparable to more schools in the Conference than the District's proposal which reflects the status quo.

On May 15, 1986, Arbitrator Edward Krinsky issued an award in The Cassville Educational Association and The Cassville School District. In many ways the award is similar to the proposal offered by the Association in this case. The Association asserts that this award should be considered as a "change in...the circumstances during the pendency in the arbitration proceedings."

The Association concludes that when relying upon the traditional benchmark salary comparisons used by arbitrators around the state, the Association's proposal is more comparable to other awards and, therefore, should be adopted by the Arbitrator.

#### IX. DETERMINATION OF COMPARABLES

The parties have each offered groups of comparable schools. The Association offers the Black Hawk Athletic Conference, but seeks to include also Southwestern Wisconsin, a school district that was used by an arbitrator in a 1983 decision involving another school district Mediation/Arbitration. This Arbitrator declines to include the Southwestern Wisconsin district because it is no longer within the Conference.

The Association urges the inclusion of North Crawford, Seneca, Boscobel, Fennimore, Darlington, Iowa-Grant, Platteville, Southwestern, Black Hawk and Barneveld. The sixteen contract settlements in the CESA #3 geographic area, (15 school districts and the CESA #3 employees) to establish an adequate basis for comparison. This Arbitrator finds that Black Hawk and Barneveld are not geographically proximate to Potosi. The Platteville and Fennimore districts meet the geographic proximity concerns, but are much larger districts and are much more urban than Potosi.

This Arbitrator finds the appropriate districts to be used here are those within the Black Hawk Athletic Conference. Voluntary settlements have been secured at Belmont, Bloomington, Highland and West Grant. Belmont, Highland and West Grant provide an adequate basis for comparison and will be considered in evaluating comparability in this matter.

#### X. DISCUSSION

##### A. Wages

The most significant issue is the determination of the appropriate salary schedule. The extra duty compensation schedule, although significant, does not rise to the same level of importance in the mind of this Arbitrator. Benchmarks to evaluate the offers are those that have been consistently used by other arbitrators around the state. The seven common benchmark rankings are: the BA base, the BA 7, BA maximum, MA base, MA 10, MA maximum, and schedule maximum. Using those seven steps, the comparison of the parties offers reveal the following:

##### 1985-86 SETTLED CONTRACT BLACK HAWK ATHLETIC CONFERENCE

	<u>BA Base</u>	<u>BA +7</u>	<u>BA Max</u>	<u>MA Base</u>	<u>MA +10</u>	<u>MA Max</u>	<u>Sch.Max</u>
Belmont	\$14,300	\$17,100	\$18,600	\$15,800	\$20,100	\$21,100	\$21,600
Highland	14,500	17,050	19,250	16,300	20,500	21,050	21,650
West Grant	<u>14,200</u>	<u>17,090</u>	<u>20,520</u>	<u>15,000</u>	<u>18,950</u>	<u>23,400</u>	<u>24,400</u>
Average	14,350	17,800	19,457	15,700	19,850	21,850	22,550
Association	14,400	17,310	19,450	15,900	20,390	22,630	23,630
District	14,300	17,000	18,800	15,725	19,775	21,575	22,050

Both parties final offers are very close to the Conference average. They are equal as to the BA Base. The Association's is closer at the BA +7 and BA Maximum levels, while the District's is closer in the other four levels.

Evidence was offered at the hearing indicating that Bloomington had also settled. However, no evidence of the wage schedule adopted in

Bloomington was presented. Since this Arbitration decision must be based on the facts presented at the hearing, Bloomington's settlement cannot be considered.

Since the number of districts that settled contracts was quite small, it is necessary to look at their ranking in the conference in 1984-85 to insure that they were not clustered at one end or the other of the rankings. Ranking can also indicate whether or not Potosi is in a "catch up" situation that would justify a substantial increase. Ranking can only be done as to five of the levels because no evidence was presented as to BA +7 and MA +10 in all the schools. That ranking shows as follows:

1984 BENCHMARK SALARIES  
BLACK HAWK ATHLETIC CONFERENCE

	<u>BA Base</u>	<u>Rank</u>	<u>BA Max</u>	<u>Rank</u>	<u>MA Base</u>	<u>Rank</u>	<u>MA Max</u>	<u>Rank</u>	<u>Sch. Max</u>	<u>Rank</u>
Belmont	\$13,300	4	\$17,160	7	\$14,800	2	\$19,540	8	\$20,040	6
Benton	13,300	4	18,088	4	14,500	6	20,584	3	22,248	2
Bloomington	13,300	4	19,150	1	14,150	8	20,000	4	20,425	5
Cassville	13,200	8	18,600	2	14,475	7	19,875	5	20,725	4
Highland	13,575	1	18,325	3	14,775	3	19,525	7	19,925	7
Potosi	13,400	3	17,900	5	14,825	1	20,675	2	21,150	3
Shullsburg	13,500	2	16,650	8	14,600	4	21,350	1	23,850	1
West Grant	13,300	4	17,700	6	14,575	5	19,855	6	19,855	8

The statutes require consideration of the cost of living increase in evaluating salary proposals. The Association's proposal far exceeds the 3% increase in the CPI for 1984-85, as does the District's proposal. The 3% cost of living increased for the state as a whole; it was considerably less for rural communities increasing only 1.1%. I am satisfied that in Potosi District, living costs increased at a rate close to the 1.1%. Based on all this evidence, I am satisfied that the salary proposal of the District more closely adheres to that standard because its an increase closer to the actual cost of living increase than does the proposal of the Association.

The Association's proposal also adds another level to the salary schedule, while the District's offer continues the existing levels. The addition of a level is something that ought to be agreed upon at the negotiating table, not something imposed by an arbitrator. It is a structural change that the parties should decide.

In reviewing all the factors, I am satisfied the salary proposal of the District comes closer to the statutory criteria and therefore is preferable.

B. Extra Duty Pay

The proposal by the Union revises structure of the extra-duty wage schedule by requiring a percent of salary payments, and changing the category of some jobs. The proposal by the District incorporates the existing structure for this schedule. Structural changes are more appropriately dealt with at the bargaining table. They should not be imposed by arbitrators in Mediation/Arbitration proceedings. Therefore, it is the opinion of this Arbitrator that the final offer of the District is the more preferable offer in this area of dispute.

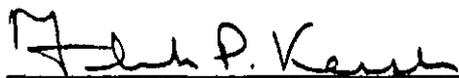
C. Summary

The final offer of the District is more preferable than that of the Association in both of the areas of disagreement.

XI. AWARD

The 1985-86 agreement between the Potosi School District and the Potosi Education Association shall include the final offer of the District as set forth and explained herein.

Date this 2nd day of September, 1986

  
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Frederick P. Kessler  
Mediator/Arbitrator